**Illustration 1: Unmodified opinion**

**Illustration 2: Modified opinion – Qualified opinion**

**Illustration 3: Modified opinion - Adverse opinion**

**Illustration 4: Modified opinion – Disclaimer of Opinion Illustration 1: Unmodified Opinion**

**Independent Auditors’ Report**

**To the Board of Directors of [ICF Member’s full name]**

***Report on the audit of the******Statement of clients’ Eligible Funds and Financial Instruments***

***Opinion***

We have audited the attached Statement of clients’ Eligible Funds and Financial Instruments (the “Statement of Eligible Funds and Financial Instruments”) of [ICF Member’s full name] (the “Company”) for the year ended 31 December [year], in accordance to Paragraph 10(2) of the Directive regarding the operation of the Investors Compensation Fund of the Cyprus Securities and Exchange Commission (the “Directive”).

In our opinion, the Statement of Eligible Funds and Financial Instruments is prepared in all material respects, in accordance with the Directive.

***Basis of opinion***

We conducted our audit in accordance with the International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “*Auditors’ responsibilities for the audit of the Statement of Eligible Funds and Financial Instruments*” section of our report. We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Accounting basis and restriction on distribution***

The Statement of Eligible Funds and Financial Instruments is prepared to assist the Company to meet the requirements of Cyprus Securities and Exchange Commission in relation to its regular annual contribution to the Investors Compensation Fund of CIF Clients for the year [year]. As a result, the Statement of Eligible Funds and Financial Instruments may not be suitable for another purpose. Our report is intended solely for the Company and the Cyprus Securities and Exchange Commission and should not be distributed to parties other than the Company and the Cyprus Securities and Exchange Commission. Our opinion is not modified in respect of this matter.

***Responsibilities of the Board of Directors for the*** ***Statement of Eligible Funds and Financial Instruments***

The Board of Directors is responsible for the preparation of the Statement of Eligible Funds and Financial Instruments in accordance to the Directive, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Statement of Eligible Funds and Financial Instruments that is free from material misstatement, whether due to fraud or error.

***Auditors’ responsibilities for the audit of the*** ***Statement of Eligible Funds and Financial Instruments***

Our objectives are to obtain reasonable assurance about whether the Statement of Eligible Funds and Financial Instruments is free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement of Eligible Funds and Financial Instruments. For the purposes of the audit of the Statement of Eligible Funds and Financial Instruments, materiality was set at €[…].

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the Statement of Eligible Funds and Financial Instruments, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates (if any) made by the Board of Directors.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Other Matter***

This report, including the opinion, has been prepared for and only for the Company’s Board of Directors as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

[Name of audit firm]

Certified Public Accountants and Registered Auditors

[Address]

[Date]

**Illustration 2: Modified Opinion – Qualified opinion**

**Independent Auditors’ Report**

**To the Board of Directors of [ICF Member’s full name]**

***Report on the audit of the******Statement of clients’ Eligible Funds and Financial Instruments***

***Qualified opinion***

We have audited the attached Statement of clients’ Eligible Funds and Financial Instruments (the “Statement of Eligible Funds and Financial Instruments”) of [ICF Member’s full name] (the “Company”) for the year ended 31 December [year], in accordance to Paragraph 10(2) of the Directive regarding the operation of the Investors Compensation Fund of the Cyprus Securities and Exchange Commission (the “Directive”).

In our opinion, except for the effects of the matter described in the “*Basis for qualified opinion*” section of our report, the Statement of Eligible Funds and Financial Instruments is prepared, in all material respects, in accordance with the Directive.

**Basis for qualified opinion**

[Outline the reasons of disagreement/of insufficient audit evidence]

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “*Auditors’ responsibilities for the audit of the Statement of Eligible Funds and Financial Instruments*” section of our report. We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

***Accounting basis and restriction on distribution***

The Statement of Eligible Funds and Financial Instruments is prepared to assist the Company to meet the requirements of Cyprus Securities and Exchange Commission in relation to its regular annual contribution to the Investors Compensation Fund of CIF Clients for the year [year]. As a result, the Statement of Eligible Funds and Financial Instruments may not be suitable for another purpose. Our report is intended solely for the Company and the Cyprus Securities and Exchange Commission and should not be distributed to parties other than the Company and the Cyprus Securities and Exchange Commission. Our opinion is not modified in respect of this matter.

***Responsibilities of the Board of Directors for the*** ***Statement of Eligible Funds and Financial Instruments***

The Board of Directors is responsible for the preparation of the Statement of Eligible Funds and Financial Instruments in accordance to the Directive, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Statement of Eligible Funds and Financial Instruments that is free from material misstatement, whether due to fraud or error.

***Auditors’ responsibilities for the audit of the*** ***Statement of Eligible Funds and Financial Instruments***

Our objectives are to obtain reasonable assurance about whether the Statement of Eligible Funds and Financial Instruments is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement of Eligible Funds and Financial Instruments. For the purposes of the audit of the Statement of Eligible Funds and Financial Instruments, materiality was set at €[…].

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the Statement of Eligible Funds and Financial Instruments, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates (if any) made by the Board of Directors.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Other Matter***

This report, including the opinion, has been prepared for and only for the Company’s Board of Directors as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

[Name of audit firm]

Certified Public Accountants and Registered Auditors

[Address]

[Date]

**Illustration 3:** **Modified Opinion - Adverse opinion**

**Independent Auditors’ Report**

**To the Board of Directors of [ICF Member’s full name]**

***Report on the audit of the******Statement of clients’ Eligible Funds and Financial Instruments***

**Adverse *opinion***

We have audited the attached Statement of clients’ Eligible Funds and Financial Instruments (the “Statement of Eligible Funds and Financial Instruments”) of [ICF Member’s full name] (the “Company”) for the year ended 31 December [year], in accordance to Paragraph 10(2) of the Directive regarding the operation of the Investors Compensation Fund of the Cyprus Securities and Exchange Commission (the “Directive”).

In our opinion, because of the significance of the matter discussed in the “*Basis for adverse opinion*” section of our report, the Statement of clients’ Eligible Funds and Financial Instruments is not prepared, in all material respects, in accordance with the Directive.

***Basis of Adverse Opinion***

[Outline the reasons of disagreement/of insufficient audit evidence]

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “*Auditors’ responsibilities for the audit of the Statement of Eligible Funds and Financial Instruments*” section of our report. We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

***Accounting basis and restriction to distribution***

The Statement of Eligible Funds and Financial Instruments is prepared to assist the Company to meet the requirements of Cyprus Securities and Exchange Commission in relation to its regular annual contribution to the Investors Compensation Fund of CIF Clients for the year [year]. As a result, the Statement of Eligible Funds and Financial Instruments may not be suitable for another purpose. Our report is intended solely for the Company and the Cyprus Securities and Exchange Commission and should not be distributed to parties other than the Company and the Cyprus Securities and Exchange Commission. Our opinion is not modifies in respect of this matter.

***Responsibilities of the Board of Directors for the*** ***Statement of Eligible Funds and Financial Instruments***

The Board of Directors is responsible for the preparation of the Statement of Eligible Funds and Financial Instruments in accordance to the Directive, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Statement of Eligible Funds and Financial Instruments that is free from material misstatement, whether due to fraud or error.

***Auditors’ responsibilities for the audit of the*** ***Statement of Eligible Funds and Financial Instruments***

Our objectives are to obtain reasonable assurance about whether the Statement of Eligible Funds and Financial Instruments is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement of Eligible Funds and Financial Instruments. For the purposes of the audit of the Statement of Eligible Funds and Financial Instruments, materiality size was set at €[…].

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the Statement of Eligible Funds and Financial Instruments, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates (if any) made by the Board of Directors.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Other Matter***

This report, including the opinion, has been prepared for and only for the Company’s Board of Directors as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

[Name of audit firm]

Certified Public Accountants and Registered Auditors

[Address]

[Date]

**Illustration 4: Modified Opinion – Disclaimer of opinion**

**Independent Auditors’ Report**

**To the Board of Directors of [ICF Member’s full name]**

***Report on the audit of the******Statement of clients’ Eligible Funds and Financial Instruments***

***Disclaimer of opinion***

We were engaged to audit the attached Statement of clients’ Eligible Funds and Financial Instruments (the “Statement of Eligible Funds and Financial Instruments”) of [ICF Member’s full name] (the “Company”) for the year ended 31 December [year], in accordance to Paragraph 10(2) of the Directive regarding the operation of the Investors Compensation Fund of the Cyprus Securities and Exchange Commission (the “Directive”).

We do not express an opinion on the accompanying Statement of Eligible Funds and Financial Instruments. Because of the significance of the matters described in the “*Basis for disclaimer of opinion*” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this Statement of Eligible Funds and Financial Instruments.

***Basis for disclaimer of opinion***

[Outline the reasons of insufficient audit evidence]

***Accounting basis and restriction on distribution***

The Statement of Eligible Funds and Financial Instruments is prepared to assist the Company to meet the requirements of Cyprus Securities and Exchange Commission in relation to its regular annual contribution to the Investors Compensation Fund of CIF Clients for the year [year]. As a result, the Statement of Eligible Funds and Financial Instruments may not be suitable for another purpose. Our report is intended solely for the Company and the Cyprus Securities and Exchange Commission and should not be distributed to parties other than the Company and the Cyprus Securities and Exchange Commission. Our opinion is not modified in respect of this matter.

***Responsibilities of the Board of Directors for the*** ***Statement of Eligible Funds and Financial Instruments***

The Board of Directors is responsible for the preparation of the Statement of Eligible Funds and Financial Instruments in accordance to the Directive, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Statement of Eligible Funds and Financial Instruments that is free from material misstatement, whether due to fraud or error.

***Auditors’ responsibilities for the audit of the*** ***Statement of Eligible Funds and Financial Instruments***

Our responsibility is to conduct an audit of the Statement of Eligible Funds and Financial Instruments in accordance with International Standards on Auditing and to issue an auditors’ report. However, because of the matter described in the “Basis for disclaimer of opinion” section of our report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on this Statement of Eligible Funds and Financial Instruments. For the purposes of the audit of the Statement of Eligible Funds and Financial Instruments the material size was set at €[…].

We are independent of the Company, in accordance with the Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements.

***Other Matter***

This report has been prepared for and only for the Company’s Board of Directors as a body and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

[Name of audit firm]

Certified Public Accountants and Registered Auditors

[Address]

[Date]